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OF COUNSEL  
WILLIAM G. CONLY

September 6, 2002

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Lower Hosston Formation, LISBON FIELD,  
Claiborne Parish, Louisiana.

Dear Sir:

SUNLAND PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Lower Hosston Formation in the Lisbon Field, Claiborne Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize its Spencer et al. No. 1 Well as an alternate unit well for L HOSS SUO at the location shown on the attached plat, or at any other location within this unit which would be in compliance with the well location provisions of Office of Conservation Order No. 9-P, effective February 1, 1966.
2. To find that the proposed well is necessary to efficiently and economically drain a portion of the Lower Hosston Formation underlying L HOSS SUO which cannot be efficiently and economically drained by any existing well within this unit.
3. To designate Applicant as Operator of the proposed alternate unit well and to authorize Applicant to report production from such well separately from the substitute unit well which is operated by Strat Land Exploration Company.
4. To permit the allowable assigned to L HOSS SUO to be produced from either the substitute unit well, the alternate unit well, or from a combination of such wells, at the option of the Operators of the respective wells.
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Hosston Formation in Lisbon Field, Claiborne Parish, Louisiana, was defined in Office of Conservation Order No. 9-P, effective February 1, 1966.

Honorable James H. Welsh  
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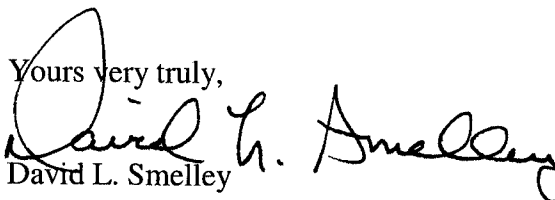
Pertinent data concerning this application is available for inspection at the offices of Sunland Production Company, 416 Travis Street, Suite 1404, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Don Easterwood at (318) 222-3538 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Lisbon Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,  
  
David L. Smelley

-- Attorney for Sunland Production Company

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Don G. Easterwood (w/encls.)  
Interested Owners, Represented  
Parties and Interested Parties (w/plat only)

L HOSS SU

STANDOLIND  
THATCHER

B-2

5108'

320 ± ACRES

32

33

PETROFUNDS  
THOMPSON HRS.

11,305'

L HOSS SU

320 ± ACRES

R 4 W

HUNT  
THOMPSON

7830'

L HOSS SU V

320 ± ACRES

33

34

5

PETROFUNDS  
SKINNER

HUNT  
SKINNER

11,000' 2  
5070'

STANOLIND  
THATCHER

1  
7735' VAUGHN  
1 THATCHER  
6755'

L HOSS SU

320 ± ACRES

L HOSS SUN

320 ± ACRES

W.T. THOMPSON

L HOSS SU

320 ± ACRES

PETROFUNDS  
THATCHER-CLARK

3  
9143' STANOLIND  
2 THATCHER-CLARK  
5168'

DAVIS

HUNT  
DAVIS

7768'

W.H. THOMPSON

H. HUNT TR.  
SHIREY

1  
9150'

SPENCER, ET AL

STRATLAND EXPL.  
NOLAN

NOLAN

1  
7100'

5

8

9

PETROFUNDS  
CRYSTAL KING

A-1 1  
5200' 9152'

L HOSS SU F

320 ± ACRES

L HOSS SU G

320 ± ACRES

HUNT

L HOSS SU H

320 ± ACRES

HUNT  
A.T. HUNT

1  
7750'

9 10  
RELANCE  
NOLAN

HUNT  
NOLAN

11,050' 1  
10,200'

L HOSS SU I

320 ± ACRES

DOCKET NO. \_\_\_\_\_

EXHIBIT NO. 1

SUNLAND PRODUCTION CO.

SHREVEPORT, LOUISIANA

LISBON FIELD

CLAIBORNE PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION  
FOR LOWER HOSSTON SAND UNIT O



:PROPOSED ALTERNATE UNIT WELL FOR L HOSS SU O



:EXISTING LOWER HOSSTON SAND UNITS



:EXISTING LOWER HOSSTON UNIT WELLS

0' 1000' 2000' 3000'

GRAPHIC SCALE